

**SUMTER COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SUMMARY**

SUBJECT: Award and enter into contract with Willis of Florida, Inc. for RFP 002-0-2011/AT Employee Benefits Consulting & Brokerage Services (Staff recommends approval).

REQUESTED ACTION: Award and enter into contract with Willis of Florida, Inc.

☐ Work Session (Report Only) **DATE OF MEETING:** 4/26/2011
☒ Regular Meeting ☐ Special Meeting

CONTRACT: ☐ N/A Vendor/Entity: Willis of Florida, Inc.
Effective Date: 5/1/2011 Termination Date: 10/1/2014
Managing Division / Dept: Support Services / Risk Management

BUDGET IMPACT: Flat fee of \$64,000 annually with 20% at risk performance guarantee which is approx. \$54,000 savings on annual basis

☒ Annual **FUNDING SOURCE:** Group Insurance Fund
☐ Capital **EXPENDITURE ACCOUNT:** 501-590-591-3100
☐ N/A

HISTORY/FACTS/ISSUES:

RFP 002-0-2011/AT Employee Benefits Consulting & Brokerage Services was broadcast on February 17, 2011. Proposals were due on March 25, 2011 at 11:00am. Proposals were opened at 11:05am in Room 102 located within The Villages Sumter County Service Center, 7375 Powell Road, Wildwood, FL 34785.

Six (6) proposals were received on time as follows: Willis of Florida, Inc. - annual fee listed as \$64,000.00 with a 20% at risk guarantee; Gehring Group - annual fee listed as \$70,000.00; LassiterWare - annual fee listed as \$72,000.00; AGIS - annual fee listed as \$87,000.00; Brown & Brown Insurance, Inc. - annual fee listed as \$90,000.00; and Gallagher Benefits Services, Inc. - annual fee listed as \$96,000.00 (includes some actuarial services valued at \$19,000.00).

The Selection Committee met on April 5, 2011 at 10:00am in Room 208 located within The Villages Sumter County Service Center, 7375 Powell Road, Wildwood, FL 34785. The Selection Committee agreed based on scoring to allow Gehring Group, LassiterWare, Willis of Florida, Inc., and Gallagher Benefits Services, Inc. to present on April 8, 2011.

The first round of vendor presentations was held on April 8, 2011 starting at 11:00am in Room 102. Following vendor presentations on April 8th the Selection Committee reconvened for discussion. The Selection Committee agreed to eliminate LassiterWare based on qualifications in relation to the other presenting firms. After lengthy discussion the Selection Committee agreed that a second round of presentations with Gehring Group, Gallagher Benefits Services, Inc. and Willis of Florida, Inc. was necessary.

The Selection Committee met on April 12, 2011 at 1:30pm in Room 102 to compile a list of items for the second round of vendor presentations set for April 18, 2011.

The second round of vendor presentations was held on April 18, 2011 starting at 9:00am in Room 102. Following vendor presentations on April 18, 2011 the Selection Committee reconvened for discussion. After discussion the Selection Committee is recommending to the Board of Sumter County Commissioners to award and enter into contract with Willis of Florida, Inc.

ADDITIONAL DETAIL

Note: This RFP for Employee Benefits Consulting/Broker Services is related only to employee benefits and does not relate the other lines of insurance such as Workers' Compensation, Liability, Property, or Fleet.

Employee Benefits Consulting/Broker Services have been provided to the County since the 1980's. These services were provided by Sumter Insurance, then Brown & Brown of Leesburg when Sumter Insurance was bought out by Brown & Brown. The services were provided via a broker designation and not by contract until 2008. In 2008, the County released an RFP for these services recognizing an opportunity to gauge services of other vendors and to reduce costs to the Health Plan. The Board awarded the contract to Brown & Brown on a commission basis for a three year period although staff recommended Gallagher Benefit Services which was a flat fee basis. The contract with Brown & Brown expires September 30, 2011. Brown & Brown will continue to provide services under the contract except for work associated with new contracts, renewals and annual enrollments for benefits beginning October 1, 2011.

The following scope of services was requested in the RFP:

1) GENERAL SERVICES

- Serve as designated insurance broker of record for employee Benefits Program. Negotiate and place employee benefit plans as directed by the County.
 - Audit resulting contracts for accuracy of coverage, terms and conditions.
 - Following up with insurance carriers for timely issuance of policies and endorsements placing coverage delivery binders to the County prior to the expiration of the current policies.
 - Assist covered employees in settling claims or grievances relating to insurance benefits issues.
 - Assist County in determining future insurance coverage needs including cost/benefit analysis.
 - Assist the development and planning of long range health insurance strategies.
 - Review the employee benefit package for quality of benefits provided, cost effectiveness, competitiveness and plan administration on an annual basis.
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- Provide the County with reasonable preliminary renewal figures during the budget preparation process.
- Provide dedicated personnel to be the main contact for managing account relationship. The contact will be readily accessible to the County designated risk management and benefits personnel/contractor.
- Provide general and technical guidance on employee benefit issues to include market analysis, trends, contract and statute interpretation and cost containment methods. Monitor Employee Benefits Insurance Industry and notify the County of developments that may affect the County.
- Assist in the development and review of communication materials written by County benefits personnel/contractor and other participating organizations for content, appearance, compliance, and accuracy.
- Assist the County with the implementation and communication of new programs or changes to existing programs, including attending and presenting information at Open Enrollment meetings and Health Fairs.
- Assist the County on a regular basis and in a timely manner to provide information, analysis and guidance on any and all aspects of County benefit program policy and administration.
- Provide a qualified representative to attend County employee meetings as requested or needed.
- Review plan documents for accuracy and compliance with appropriate laws and regulations and review of annual required filings.
- Provide consultative assistance and research in the evaluation of vendors and monitor vendors for compliance with plan design, policies, and services agreements.
- Advise and assist the County in negotiating renewal rates and plan provisions.
- Assist the County in annual enrollment meetings or Health Fairs as needed.

2) TECHNICAL SERVICES

- Request for Proposals – The broker will prepare and coordinate the Request for Proposal process for insurance and related products necessary for the implementation of the benefit plans for the Sumter County BOCC Group Health Plan and provide review and analysis of the received proposals.
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- Health Plan Comparison / Utilization Analysis - The broker is expected to work with the County in securing and analyzing financial and claims data from each of the carriers on a scheduled basis in order to monitor County benefit plans. Once analyzed, the broker is expected to provide a summary explanation of the data emphasizing any important trends, emerging problems, etc. It is preferred that the consultant have in-house capabilities to conduct detailed health plan comparison and utilization analysis of all County medical relationships.
 - Compliance - The broker will advise the County on any federal and state mandated compliance testing requirements relevant to County plans and provide guidance, when requested, in developing testing strategies. Upon the request of the County, the broker shall advise of the financial and administrative impact of State and Federal legislation on the County and assist in the implementation of changes made necessary by such legislation.
 - Self-Funded Programs - The broker will provide guidance on the annual budgets, rate structure options, stop loss purchases, and attachment points for the County self-funded programs.
 - Actuary Report – The broker will assist in the preparation of materials required for an annual actuary's review of the County's Self Funded Health Care program. The actuary report itself will be prepared by an independent actuary firm selected by the County.
 - Wellness / Disease Management Programs - The County desires to improve their Wellness and Disease Management Programs. The broker will assist the County in evaluating, implementing and measuring the effectiveness of Wellness and Disease Management Programs.
 - Review of the current automated enrollment and billing system and recommend continuing with the current system or transitioning to a new system. If the recommendation is to transition to a new system, the consultant will review available systems and provide the County with a recommendation based on their analysis.
 - Assist the County in developing online benefit training and benefit enrollment processes.
 - Litigation - On rare occasions, the County may be involved in litigation arising from requests for proposals, contracting, or employee grievances. If such a situation should occur, the broker will be expected to assist the County and the administrator
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in providing necessary materials and testify if required.

- Insurance Policies and contracts – Coordinate with the Risk Manager to assure that all benefits information relative to the issuance of new and renewal policies are received from vendors.

These services differ from the day-to-day operations provided by County staff as they are tasked with contract management, customer services, training, and administrative, claims and financial duties related to the Health Plan as well as other lines of insurance such as Workers' Compensation, General Liability, Property, and Auto Collision/Fleet Liability.

The flat fee proposal from Willis of \$64,000 is approximately \$54,000 per year less than the current Employee Benefits Consulting/Broker contract with Brown & Brown Insurance Inc., of Leesburg (approximately \$118,000 annually) which is a reduction of 46%. Should the County opt to combine the Actuary Services now performed by Milliman under the Willis contract, an additional savings of \$13,000 annually would be realized as well as efficiency of providing actuary services to staff.

In addition to the required services, the proposal from Willis provides:

- Team members that deals only in area of employee benefits vs. a team that handles all lines of insurance.
 - Team members that have certifications in employee benefits related fields (Group Benefit Associate, Health Information Administration, Registered Dietician, Senior Professional in Human Resources.
 - On staff Actuary, Attorney, and Certified Public Account
 - Substantial depth of resources.
 - Actuary services provides non pension post-employment benefit valuation services, IBNR (incurred but not reported) and other benefit plan reserve liability services, benefit design model services, health plan critical factor analysis, provider network decision-marking services, and rate setting for multi-site plan employers.
 - Underwriting Services: customized quarterly financial reporting package, forecasting and rate setting, encounter data mining at the procedure code level, marketing surveys, prescription drug analysis, vendor audits and performance guarantees, contribution, plan design and enrollment modeling and strategic
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planning.

- Reporting and Benchmarking: month-by-month experience, trend analysis, claims forecasting renewal projects, funding and gap analysis, contribution and migration modeling, benchmarking to other Florida Governmental employers and national surveys and others upon request.
- Wellness Consulting and Tools: access to tools (online) and resources that focuses on driving behavior change, virtual health fairs, telephonic coaching, and partnering with ASO in providing resources.
- HR Consulting including training, access to online tools, audits, and training.
- Communications and Media including employee website, benefit guides, CD production, etc.
- In depth compliance audit. Online compliance manual. Access to legal assistance. SearchWillis online search for Federal and state laws, model documents and research.
- Online client portal.
- Monthly educational WebCast, as well, as other training.
- Client Bill of Rights.
- Extensive transition process.

As most of this list is not performed or provided under the current Brown & Brown contract for Employee Benefits Consulting, the Willis proposal will provide many valuable additional services for significantly less money.

See the following attached items: Willis' 4-18-2011 Presentation Booklet, proof of publication, bid opening meeting minutes from 3-25-2011, Selection Meeting minutes from 4-5-2011, score sheets from 4-5-2011, Selection Meeting minutes from 4-8-2011, Selection Meeting minutes from 4-12-2011, Selection Meeting minutes from 4-18-2011, Willis of Florida, Inc. proposal, the contract, and the RFP bid document.
